

Form approved. Budget Bureau No. 1004-0136 Expires: December 31, 1991

		R TMENT OF THE II EAU OF LAND MANAG				5. LEASE DESIGNATION AND	SERIAL NO		
	UTU-82155 6 IF INDIAN, ALLOTTEE OR T	RIBE NAME							
	N/A Z								
IL TYPE OF WORK	mmu v	· OFFDEN	П			7. UNIT AGREEMENT NAME			
	DRILL X	DEEPEN				N/A			
D. TYPE OF WELL	GAS		SINGLE ZONE Y	MULTIPLE ZONE		8. FARMOR LEASE NAME, WE			
METT [METT X OLHER		ZONE X			Samson Federal	<u> 29-44</u>		
2. NAME OF OPERATOR	1					V			
ADDRESS AND TELE	elta Petroleum Cor HONE NO.	pocation				10. FIELD AND POOL, OR WILL	X:AT		
			021 303-575	-0323		Wildcat			
4. LOCATION OF WELL	70 17th St Suite 43 (Report location death) and in second	hance with any State requirements.")			II. SEC,T,R.,M., OR BLK. ANI			
At surface	562' FSI).	484' FEL SE/4	SE/4, Section 29)		Section 29 T22S SLB&M	R17E		
At proposed prod. zone	562' FSL	484' FEL SE/4	SE/4. Section 29	/	· · · · · · · · · · · · · · · · · · ·		3. STATE		
14. DISTANCE IN MILE	S AND DIRECTION FROM NEAR	1	The Transfer				Utah		
15 DISTANCE FROM PR		buth & East of Green	O OF ACRES IN LEASE			ACRES ASSIGNED	<u>Utan</u>		
LOCATION TO NEAD PROPERTY OR LEAS	LEST TO THE PERSON OF THE PERS					S WELL			
(Also to nearest drig. to	nat line, if any) 562'		2,440	/		OR CABLE TOOLS			
IE DISTANCE FROM PR LOCATION TO NEA	rest well.	19. PB	LOPOSED DEPTH		AU. KOJIAKI	OR CABLE TOOLS			
DRILLING, COMPLE APPLIED FOR, ON TI	TED, OR HIS LEASE, FT. See attached	Map\ 9	,975'		R	otary			
21. ELEVATIONS (Show	whether DF,RT,GR,etc.)	1		/	22	APPROX. DATE WORK WILL STA	RT"		
	4446.	5' GR\	/			12-30-06			
23.		PROPOSED CASING	IND CEMENTING P	ROGRAM					
SIZE OF HOLE	GRADE, SIZE OF CASENG	WEIGHT VER POOT	SETTING DEPTH .		QUANTT	TY OF CEMENT			
12-1/4****	9-5/8" J-55 ST&C	36	3300.	Lead: 725 Sks 85/15/0	B; 2.14 cu. ft/	sk, 12.5 ppg., cmt top 0'			
	<u> </u>	T \ -	T /]	Tail: 350; sks Type II	1, 1.41 cu.ft/si	k, 14.6 ppg, cmt top 2500'	******		
8-3/4"	5-1/2" N80 LT&C	T ₁₇	9975	Load: 330 aks 50/50/6	Poz G; 2.13	cu_fl/sk, 12 ppg, cast top 300	ю,		
	Tail: 1120 aks 50/50/2 Poz G; 1.41 cu.ft/ak, 13.5 ppg, cmt top 5000' Federal Bond Number: UTB-09/200								
TIGHT HOLE STATUS Sederal Approval of this Action is Necessary Action is Necessary									
IN ABOVE SPACE	DESCRIBE PROPOSED I	ROGRAM: If proposed in to de	repen, give data present produ	active zone and proposed new pa	roductive zonit 1	proposel is to drill or deepen direction	nally, give		
pertinent data on substantiace loostions and menugated and true vertical depths. Cive blowout proventer progress, if may. 24.									
SIGNED TELL	W. Lan	y W. Johnson mn.e.	Agent for Delta F	Petroleum Corp.	DATE	10/20/06			
PER per No.	43.019-315R4		APPROVAL DATE						
Andinain		had the markings halds been as	equitable title to those ri	ohts in the subject lesse wh	ich would entit!	ie the applicant to conduct opera	tions thereon.		
Application appro	CALLED TO A MANAGE OF CHARLES	TITLE	BRADLEY ENVIRONMENT	G HIII		11-07-06			
	*See Instructions On Reverse Side								

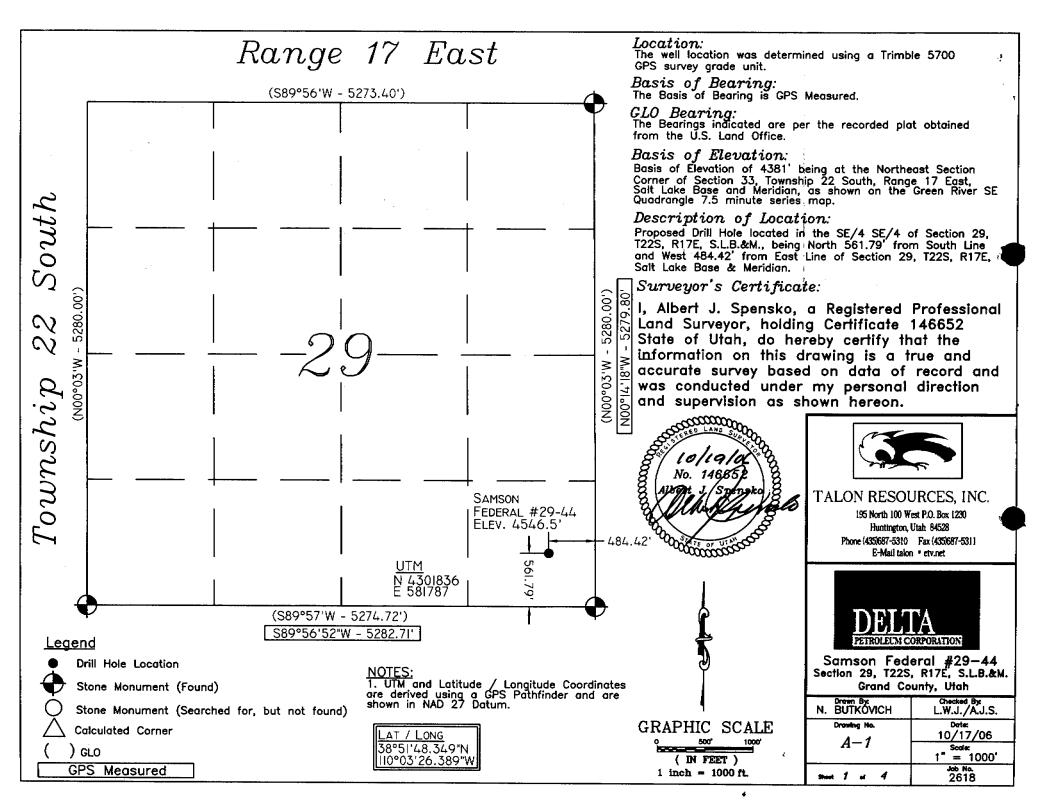
Form 3160-3 (December 1990)

UNITED STATES

SUBMIT IN	FIPLICATE*
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DEPARTMENT OF THE INTERIOR								5. LEASE DESIGNATION AND SERIAL NO.			
	APPLICATION FOR PERMIT TO DRILL OR DEEPEN								UTU-82155 6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
	APPLICATION I	FOR PERMI	TTC	DRILL OR	DEEPEN			N/A			
1a. TYPE OF WORK	DRILL X	DEEP	EN					7. UNIT AGREEMENT NAM	Œ		
b. TYPE OF WELL R FARM OR LEASE N									WELL NO.		
METT	GAS WELL X OTHER			SINGLE ZONE X	MULTIPLE ZONE			Samson Federa	al 29 <u>-44</u>		
2. NAME OF OPERATOR								9. API WELL NO. 43-019-3	2101		
3. ADDRESS AND TELE	elta Petroleum Cor PHONE NO.	poration						10. FIELD AND POOL, OR V			
	70 17th St Suite 43 (Report location clearly and in accom-		O 80	021 303-57	5-0323	_		Wildcat			
4. LOCATION OF WELL At starface					•			11. SEC.,T.,R.,M., OR BLK.	ne D 170-		
At proposed prod. zone	562' FSL,			SE/4, Section 2				Section 29 T22 SLB&M	\$2 K1 /E.		
14. DISTANCE IN MILE	562' FSL, s and direction from neari	484 FEL EST TOWN OR POST OFF		SE/4, Section 2	y			12. COUNTY OR PARISH	13. STATE		
		outh & East of	Green	River, Utah			NO 01	Grand	Utah		
15. DISTANCE FROM PR LOCATION TO NEAR	REST		16. NC	O. OF ACRES IN LEASE				F ACRES ASSIGNED IS WELL			
PROPERTY OR LEAS (Also to nearest drig. u				2,440				o acres			
18. DISTANCE FROM PR LOCATION TO NEA	rest well,		19. PR	OPOSED DEPTH			20. ROTARY	OR CABLE TOOLS			
DRILLING, COMPLE APPLIED FOR, ON T	etted, or HIS LEASE,FT. See attached	I Мар	9	,975'			l	lotary			
21. ELEVATIONS (Show							22.	APPROX. DATE WORK WILL:	START*		
	4446.	5' GR			DOOD ALL			12-30-06			
SIZE OF HOLE	GRADE, SIZE OF CASING	PROPOSED CAS WEIGHT PER FOX		AND CEMENTING I	PROGRAM T		OUANT	ITY OF CEMENT			
12-1/4***	9-5/8" J-55 ST&C	36		3300'	Lead: 725 Sks	85/15/8		/sk, 12.5 ppg., cmt top 0'			
	9-3/8 1-33 81 & C	+~	-	-	+		•	k, 14.6 ppg, cmt top 2500	,•		
8-3/4"	5-1/2" N80 LT&C	† ₁₇	-	9975'	-			cu.ft/sk, 12 ppg, cmt top	_		
	•	•		•	Tail: 1120 sks	50/50/2	Poz G: 1.41	: G; 1.41 cu.ft/sk, 13.5 ppg, cmt top 5000'			
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Federa	ıl Bond Number:	UTB-002	200								
TIGH	T HOLE STATU	S									
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	·	110.0	<i>(</i>	,,			DIV. OF OIL, GAS & MINING				
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; If proposal is to deepen, give data present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give								-4'N '			
pertinent data on subsurfac	ce locations and measured and true ve	rtical depths. Give blowou	t prevent	er program, if any.				proposar is to cent or despen dire	акопшу, give		
24.	T over	w W. Johnson		A cont for Delta	Petroleum Cor	*		10/20/06			
SIGNED	Larr	y w. Johnson T	TILE_	Agoni Ioi Dela	vuolenn Col	r	DATE	10/20/00			
(This space for Feder PERMIT NO.	43-019-3150	4		APPROVAL DATE							
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.											
CONDITIONS OF	APPROVAL, IF ANY:			•				•			
APPROVED BY			.E				DATE	B			
_											





TIGHT HOLE STATUS

January 9, 2007

Ms. Diana Mason State of Utah Division of Oil Gas and Mining P.O. Box 145801 Salt Lake City, Utah 84114-5801

RE: Request for Exception to State Spacing Rule, (Rule R649-3-3)—Delta Petroleum Corp. Federal 29-44, Grand County, Utah: SE/4 SE/4, 893' FSL, 650' FEL, Section 29, T22S, R17E, SLB&M.

Dear Ms. Whitney:

Delta Petroleum Corporation respectfully submits the following request for exception to spacing and information to supplement the submitted APD for the above referenced well.

A request for exception to spacing is hereby requested based on topography

Delta Petroleum Corporation is the only owner and operator within 460' of the proposed well location.

Thank you for your timely consideration of this request. Please feel free to contact myself or Mr. Larry Johnson at 435-687-5310 if you have any questions or need additional information.

Sincerely,

Terry/L Hoffman

Delta Petroleum Corporation

cc:

Mr. Ed Bonner,

SITLA

Mr. Bart Kettle

DOGM

Mr. Larry Johnson

Talon

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UNITED STATES

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DEPARTMENT	OF THE	INTERIOR
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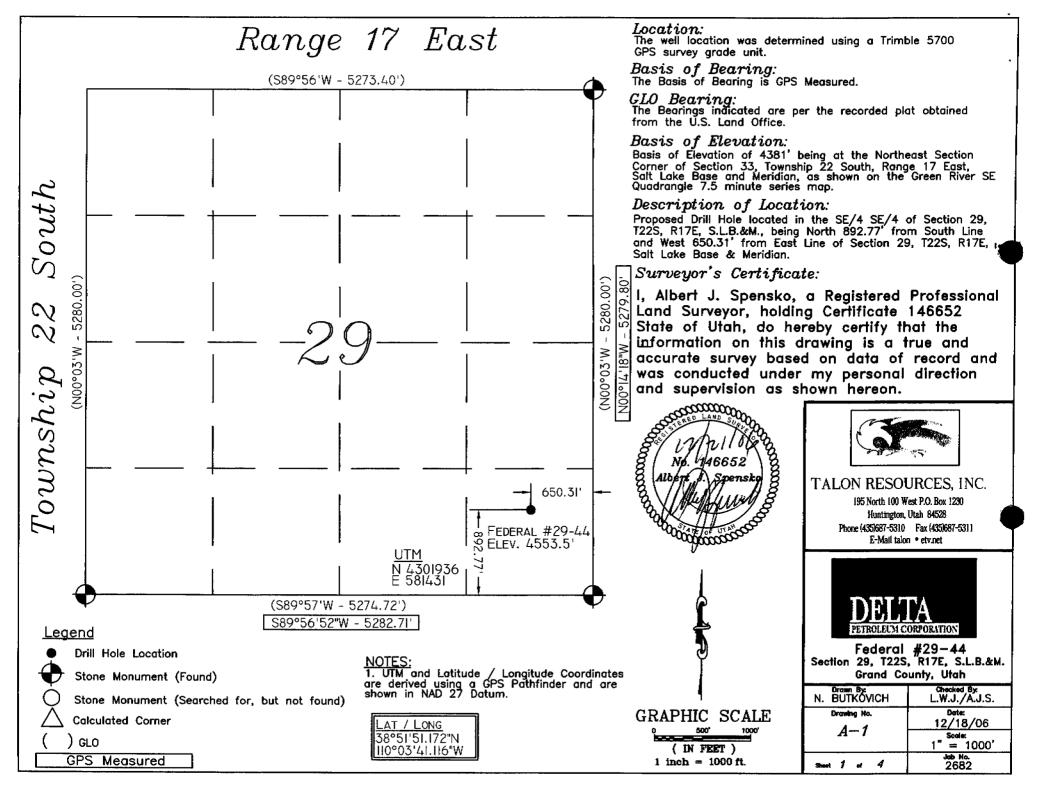
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	APPLIC/	ATION	FOR PERMI	T TO	O DRILL	OR	DEEPEN			6. IF INDIAN, ALLOTTEE O	R TRIBE NAME	
1a. TYPE OF WORK										N/A 7. UNIT AGREEMENT NAM	TE:	
	DRILL	X	DEEP	EN							IE.	
b. TYPE OF WELL OIL	GAS				SINGLE		MULTIPLE	_		N/A 8. FARM OR LEASE NAME,	WELL NO.	
WELL	WELL X	OTHER			ZONE	\mathbf{X}	ZONE			Federal 29-44		
2. NAME OF OPERATOR	R									9. API WELL NO.		
3. ADDRESS AND TELE	elta Petrole	um Cor	poration.							43019-3	31504	
		G 1, 40	00 B	~ ~~	001 00					10. FIELD AND POOL, OR V	VILDCAT	
4. LOCATION OF WELL	(Report location clear		00 Denver C lance with any State requir			3-575	5-0323 38, 864	197		Wildcat 11. SEC.,T.,R.,M., OR BLK.		
At surface 5814	42× 89	93' FSL.	650' FEL	SE/4	SE/4, Sec	tion 29	30,007	///		ANI Section 29 T22	2S R17E	
At proposed prod. zone.		•	650' FEL		SE/4, Sec			129	7	SLB&M		
14 DISTANCE IN MILE										12. COUNTY OR PARISH	13. STATE	
14 DIGE AVER TROVER		Miles So	outh & East of							Grand	Utah	
15. DISTANCE FROM PE LOCATION TO NEAR	REST			16. NO	O. OF ACRES IN	LEASE				OF ACRES ASSIGNED HIS WELL		
PROPERTY OR LEAS (Also to nearest drig. u		650'	•	ļ	2,440			l	4	0 acres		
18. DISTANCE FROM PE LOCATION TO NEA				19. PR	ROPOSED DEPTY	ī			20. ROTAR	Y OR CABLE TOOLS		
DRILLING, COMPLI	ETED, OR	e attached	Man	٥	,975'				1	Datam:		
21. ELEVATIONS (Show	THO DEPLOE, I I .			L	,,,,					Rotary APPROX, DATE WORK WILL:	START*	
		4553	5' GR							01-15-07		
23.		1000.	PROPOSED CAS	SING A	ND CEMEN	TING P	ROGRAM			01-13-07		
SIZE OF HOLE	GRADE, SIZE O	F CASING	WEIGHT PER FO		SETTING DI				QUANT	TITY OF CEMENT		
12-1/4""	9-5/8" J-55	ST&C	36		3300'		Lead: 725 Sks	85/15/8:	2.14 cu. f	t/sk, 12.5 ppg,, cmt top 0'		
-		7	-	-	<u> </u>	-	_			sk, 14.6 ppg, cmt top 2500	,	
8-3/4"	5-1/2" HCP110	0 LT&C	17		9975'	_	_			cu.ft/sk, 12 ppg, cmt top 1700'		
	•				•	•						
							14H. 1120 SKS	JU/JU/2 1	02 G, 1,4;	cu.ft/sk, 13.5 ppg, cmt to	p 3000	
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										JAN 1 0 2007		
									DIV	. OF OIL, GAS & MINII		
IN ABOVE SPACE	DESCRIBE PRO	OPOSED P	ROGRAM: If propose	al is to dec	epen, give data pre	sent produ	ctive zone and propose	ed new prod	luctive zone. 1	if proposal is to drill or deepen direct	VG cionally, give	
pertinent data on subsurface 24.	A ROCATIONS AND MEASUR	en siid tlije vel	icai depins. Give biowou	ı prevente	zi program, if any.							
- Complete	-+0M	A West	L. Hoffman ₁	TTLE_	Regulatory	Mana	ger		DAT	E 1/9/06		
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	-4201	MA	(, , , , , , , , , , , , , , , , , , ,		APPROVAL I				:			
CONDITIONS OF A	APPROVAL, IF ANY:	ne pr certify th	at the applicant holds	legal or	BRADL	those ri	ghts in the subject le G. HILL	ease which	ı would enti	tle the applicant to conduct op	erations thereon.	

*See Instructions On Reverse Side

ENVIRONMENTAL MANAGER

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency or the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



Bureau of Land Management Moab District Application for Permit to Drill Drilling and Surface Use Plan

Company <u>Delta Petroleum Corp.</u> Well No. <u>Federal 29-44</u> Location: <u>SE/SE Sect 29, T22S, R17E, SLB&M</u> Lease No. <u>UTU-82155</u>

On-Site Inspection Date: 10/05/06

All operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, the approved plan of operations and the conditions of approval. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

Exhibit D

A. DRILLING PROGRAM

Surface Formation and Estimated Formation Tops:

Surface formation: Morrison Formation

Estimated tops

	MD	Subsea
Top Morrison	0'	+4,566 (KB)
Top Entrada	396'	+4,170
Top Navajo	545'	+4,021
Top Kayenta	1,000'	+3,566
Top Wingate	1,129'	+3,429
Top Chinle	1,323'	+3,243
Top Shinarump	1,565'	+3,001
Top Moenkopi	1,620'	+2,946
Top Sinbad Is.	2,062'	+2,475
Top White Rim SS	2,220'	+2,346
Top Cutler	3,263'	+1,303
Top Hermosa	3,437'	+1,129
Top Paradox Salt	5,716'	-1,150
TD	9,975'	-5,409

2. <u>Estimated Depth at Which Oil, Gas, Water or Other Mineral Bearing Zones are Expected to be Encountered</u>

<u>Formation</u>	<u>Depth</u>
Expected Oil Zones: White Rim SS	2,220'
Expected Gas Zones: Paradox Salt:	5,716'
Expected Water Zones:	
Entrada	396'
Navajo	545'
Wingate	1,129'
White Rim SS	2,220'

TIGHTHOLE STATUS 1

Hermosa 3,437' Expected Mineral Zones: None

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and will be cased and cemented. When possible, water flow rates will be measured and samples will be taken and analyzed. All oil and gas shows will be tested to determine commercial potential.

3. <u>Pressure Control Equipment</u>- include schematics of the BOP and choke manifold, and describe testing procedures:

Exhibit "G" is a schematic diagram of the blowout preventer equipment. An 11" 5,000 psi Double gate Hydraulic BOP with one (1) blind ram and one (1) pipe ram and Annular Preventer; equipped with a 5,000 psi manual choke manifold. The BOP will be tested and charted using a BOP tester and test plug to 5,000 psi for 10 minutes. The Annular Preventer will be tested to 2,500 psi for 10 minutes. All text will be recorded in the Driller's log book. Pipe rams will be function tested daily, and blind rams tested on each trip.

BOP systems will be consistent with API RP 53 and Onshore Oil and Gas Order No. 2. Pressure tests of the surface casing and all BOP equipment potentially subject to pressure will be conducted before drilling the surface casing shoe. Blowout preventer controls will be installed prior to drilling the surface casing shoe and will remain in use until the well is completed or abandoned. Ram preventers shall be inspected and operated each trip (no more than once a day is necessary), and annular preventers shall be inspected and operated weekly to ensure good mechanical working order. These inspections shall be recorded in the drilling log and in the daily drilling report.

- Casing Program and Auxiliary Equipment include casing size, weight, grade, thread and coupling, setting depth and condition (new or acceptably reconditioned): Approximately 9,975' of 5-1/2",HCP110 LTC 17#/ft production casing will be installed, 3,300' of the above setting depth will be 9-5/8", 36#/ft. J-55 surface casing.
- Cement-include the cement type, density, yield, additives and amount used in setting each casing string. Also include the anticipated cement fill-up. If stage cementing, describe techniques: See cementing information below.

Proposed Casing and Cementing Programs Federal 29-44

Casing Program

HOLE	SETTING DEPTH	SIZE	WEIGHT,GRADE	CONDITION
SIZE	(INTERVAL)	(OD)	& JOINT	
24"	40'	16" Cond	Redi Mix	New
12–1/4"	3,300'	9-5/8"	36# J-55 ST&C	New
8-3/4"	9,975'	5-1/2"	17# HCP110 LTC	New

Cementing Program

Surface Casing

Lead: 725 sacks 85/15/8

Weight: 12.5 #/gal

Yield: 2.14 cu.ft/sk

Cmt Top 0'

350 sacks Type III

Weight: 14.6 #/gal

Yield: 1.41 cu.ft/sk

Cmt Top 2,500'

Production Casing

Lead:

Tail:

510 sacks 50/50/6 Poz G Weight: 12.0 #/gal

Yield: 2.13 cu.ft/sk

Cmt Top 1,700'

Tail:

1120 sacks 50/50/2 Poz G Weight: 13.5 #/gal

Yi

Yield: 1.41 cu.ft/sk

Cmt Top 5,000'

The following shall be entered in the driller's log:

1) Blowout preventer pressure tests, including test pressures and results;

- 2) Blowout preventer tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;
- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string;
- 7) Casing pressure tests after cementing, including test pressures and results
 - 6. <u>Mud Program and Circulating Medium</u>- include mud components and weights. When air drilling, also include: length and location of blooie line; description of the auto ignitor; description of the deduster equipment; and amounts, types and characteristics of stand-by mud: Hole will be drilled with air with the blooie line extending to the large pit.

The Type and Characteristics of the Proposed Circulating Muds

<u>Depth</u>	<u>Type</u>	<u>Weight</u>	<u>Vis</u>	Water Loss
0-3300'	Wtr	+/-8.5	+/-28	NC
3300-5500'	LSND	+/-9.0	+/-44	+/-8
5500'-9975'	Salt Mud	+/-13.5	+/-44	+/-10

7. Coring, Logging and Testing Program:

Testing -

DST's are not planned

Logging -

End of Surface casing - TD

Platform Express

Coring --

No coring is planned for this location

Initial opening of drill stem test tools will be restricted to daylight hours.

8. <u>Abnormal Conditions</u>, <u>Bottom Hole Pressures and Potential Hazards</u>- include anticipated bottom hole pressure and/or pressure gradient:

While drilling the Greentown Sate 36-11, located in the NWNW of section 36, T21S R16E, up to a depth of 6,011 feet normal pressure gradients were seen (mud weight of 10.2 ppg or 0.53 psi/ft). At 6,011 feet, a clastic break was drill which required mud weights up to 12.5 ppg (0.65 psi/ft) to control permeable gas.

While drilling the Green State 32-42, located in the SENE of section 32, T22S R17E, up to a depth of 5,600 feet, normal

pressure gradients were seen (mud weight of 10.2 ppg or 0.53 psi/ft). After 5,600 feet, a clastic break was drilled which required mud weights up to 11.2 ppg (0.58 psi/ft) to control permeable gas. Another clastic break was drilled at 7,710 feetwhich required

mud weights of 12.7 ppg (0.66 psi/ft). A clastic break was again drilled at 8,552 feet which required mud weights of 13.4 ppg (0.70 psi/ft).

As a result of the knowledge and experience gained from the drilling of these two state wells, Delta has changed well construction plans for this well. The drilling plan now reflects and are based on maximum mud weight of 13.5 ppg. This will require pressure equipment which will be rated and tested to 5,000 psi.

Bottom hole pressure expected is 7000 psi max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

9. Any Other Aspects of this Proposal that should be Addressed:

None

TIGHTHOLE STATUS

Exhibit E

B. THIRTEEN POINT SURFACE USE PLAN

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

Existing Roads:

- a. Proposed route to location (Refer to Drawing L-1).
- b. Location of proposed well in relation to town or other reference point: <u>13 road</u> miles south from Exit 175, Interstate I-70.
- c. Contact the County Road Department for use of county roads. The use of County roads will require an encroachment permit from the Grand County Road Department.
- d. Plans for improvement and/or maintenance of existing roads: Upgrade and maintain existing state or county roads.
- e. Other:

2. Planned Access Roads:

- a. Location (centerline): Refer to Drawing L-1, The centerline will be flagged
- b. Length of new access to be constructed: 5,190' which will intercept the Federal 28-11 well location.
- c. Length of existing roads to be upgraded: (see Drawing L1).
- d. Maximum total disturbed width: 30'
- e. Maximum travel surface width: 18-24'
- f. Maximum grades: 10%
- g. Turnouts: none
- Surface materials: None for Drilling, if the well is a producer, gravel will be added as needed
- i. Drainage (crowning, ditching, culverts, etc): New road construction: Roads will be crowned with water ditches on both sides. Crossing drainages will be low water crossings, unless otherwise specified, making sure the existing drainage surface elevation remains the same after construction. Any excess material will be stock piled on either side of the road, outside of the drainage. 1-18" culvert and 1-24" culvert will be needed (see drawing L-1 for locations)
- j. Cattleguards: none for Drilling
- Length of new and/or existing roads which lie outside the lease boundary for which a BLM right-of-way is required: None

I. Other:

Surface disturbance and vehicular travel will be limited to the approved location access road. Any additional area needed must be approved by the Area Manager in advance.

If a right-of-way is necessary, no surface disturbing activities shall take place on the subject right-of-way until the associated APD is approved. The holder will adhere to conditions of approval in the Surface Use Program of the approved APD, relevant to any right-of-way facilities.

If a right-of-way is secured, boundary adjustments in the lease or unit shall automatically amend this right-of-way to include that portion of the facility no longer contained within the lease or unit. In the event of an automatic amendment to this right-of-way grant, the prior on-lease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of a boundary adjustment. Rental fees, if appropriate shall be recalculated based on the conditions of this grant and the regulations in effect at the time of an automatic amendment.

If the well is productive, the access road will be rehabilitated or brought to Resource (Class III) Road Standards within 60 days of dismantling the rig. If upgraded, the access road must be maintained at these standards until the well is properly abandoned. If this time frame cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.

 Location of Existing Wells-on a map, show the location of all water, injection, disposal, producing and drilling wells within a one mile radius of the proposed well, and describe the status of each: See Drawing "L-1".

4. Location of Production Facilities:

- On-site facilities: If the well is a producer, installation of production facilities will follow.
- b. Off-site facilities: none
- c. Pipelines: Unknown

All permanent (in place for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, non-reflective color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Interagency Committee. All facilities will be painted within six months of installation. Facilities that are required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors will be as follows: Color will match the surrounding soils and vegetation.

If a gas meter run is constructed, it will be located on lease within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and/or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR § 3162. 7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1 ½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurement shall conform to the provisions of 43 CFR § 3162.7-3 and Onshore Oil and Gas Order No. 4

Production facilities on location may include a lined or unlined produced water pit as specified in NTL-2B. If water is produced from the well, an NTL-2B application must be submitted.

Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from (describe location and/or show on a map): Municipal water from Thompson, Utah

6. Source of Construction Material:

Pad construction material will be obtained from (if the source is Federally owned, show location on a map): NA

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

7. Methods of Handling Waste Disposal:

Describe the methods and locations proposed for safe containment and disposal of waste material, e.g. cuttings, produced water, garbage, sewage, chemicals, etc.

The reserve pit will be lined with (native material, bentonite, synthetic material): Pit will be lined with a synthetic liner 12 mil thick or greater (as per DOGM guidelines).

The reserve pit will be located at the: South side of the location, as depicted on drawing A-2, and the pit walls will be sloped at no greater than 2 to 1.

The reserve pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. As soon as the reserve pit has dried, all areas not needed for production will be rehabilitated.

Trash must be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations.

- 8. Ancillary Facilities: Temporary trailers, Garbage containers and portable toilets.
- 9. Well Site Layout depict the pit, rig, cut and fill, topsoil, etc. on a plat with a scale of at least 1" = 50'.

All well, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.6.

Access to the well pad will be from: Northwest of location.

The blooie line will be located in the: Northeast, at least 100 feet from the well head.

To minimize the amount of fugitive dust and spray escaping from the blooie pit, the following blooie line deflection method will be employed: Water injection.

10. Plans for Restoration of the Surface:

The top 2 to 3 inches of topsoil material will be removed from the location and stockpiled Parallel to the well pad.

Topsoil along the access road will be reserved in place, adjacent to the road.

Immediately upon completion of drilling, all equipment that is not necessary for production shall be removed.

The reserve pit and that portion of the location not needed for production will be reclaimed.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.

All disturbed areas will be re-contoured to replicate the natural slope.

The stockpiled topsoil will be evenly distributed over the disturbed area.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

Seed will be broadcast or drilled between October 1. and December 15 or at a time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to cover the seed.

The following seed mixture will be used:

BLM recommended mixture:

Indian Ricegrass3 lbs/acreFourwing Saltbrush3 lbs/acreShadscale3 lbs/acreGalleta3 lbs/acre

The abandonment marker will be one of the following, as specified by BLM:

- 1) At least four feet above ground level,
- 2) At restored ground level, or
- 3) Below ground level.

In any case the marker shall be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).

Additional requirements:

11. Surface and Mineral Ownership: BLM Surface/BLM Subsurface

12. Other Information:

a. Archeological Concerns: none

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five (5) working days, the AO will inform the operator as to:

- Whether the materials appear eligible for the National Register of Historic Places:
- The mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- A time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and

procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

- b. Threatened and Endangered Species Concerns: No
- c. Wildlife Seasonal Restrictions (yes/no): No
- d. Off Location Geophysical Testing: N/A
- e. Drainage crossings that require additional State or Federal approval: N/A
- f. Other: N/A

f. Other: N/A

13. Lessee's or Operator's Representative and Certification

Representative:

Permit Consultant:

Name: Terry L. Hoffman

Larry W. Johnson

Title:

Regulatory Manager

Talon Resources, Inc.

Address: 370 17th Street, Suite 4300

P.O. Box 1230

Denver, Colorado 80021

195 North 100 West Huntington, UT 84501

Phone No: 1-303-575-0323

1-435-687-5310

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exists; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Delta Petroleum and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under BLM bond no.UTB 000200 This statement is subject to the provisions of 18 U.S.C. 1001 for the filling of a false statement.

Larry W. Johnson 10/20/06 Agent for Delta Petroleum Corp. Date

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

<u>Building Location</u>- Contact the Resource Area, Natural Resource Protection Specialist at least 24 hours prior to commencing construction of location.

<u>Spud</u>- The spud date will be reported to the Resource Area Office 24 hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted the District Office within 24 hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

<u>Daily Drilling Reports</u>- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the District Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

<u>Sundry Notices</u>- There will be no deviation from the proposed drilling and/or workover program without prior approval from the Assistant District Manager. "Sundry Notices and Reports on Wells: (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

<u>Drilling Suspensions</u>- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Authorized Officer. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

<u>Undesirable Events-</u> Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the Resource Area in accordance with requirements of NTL-3A.

<u>Cultural Resources</u>- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Area Manager is to be notified.

<u>First Production</u>- Should the well be successfully completed for production, the Assistant District Manager, Minerals Division will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five (5) business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Resource Area Office. The Resource Area Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Re-completion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analysis, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the

TIGHTHOLE STATUS 11

drilling, work-over, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings and/or samples) will be submitted when requested by the Assistant District Manager.

<u>Venting/Flaring of Gas-NTL-4A</u> allows venting/flaring of gas during the initial well evaluation period not to exceed 30 days or 50 MMcf. Venting/flaring beyond the initial test period threshold must be approved by the District Office.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Assistant District Manager for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

<u>Plugging and Abandonment-</u> If the well is completed as a dry hole, plugging instructions must be obtained from the BLM, Moab District Office prior to initiating plugging operations. Table 1 of this document provides the after-hours phone numbers of personnel who are authorized to give plugging instructions.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Assistant District Manager, Minerals Divisions within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

TABLE 1 NOTIFICATIONS

Notify Rich McClure of the Moab District Office, at 435-259-2100 for the following:

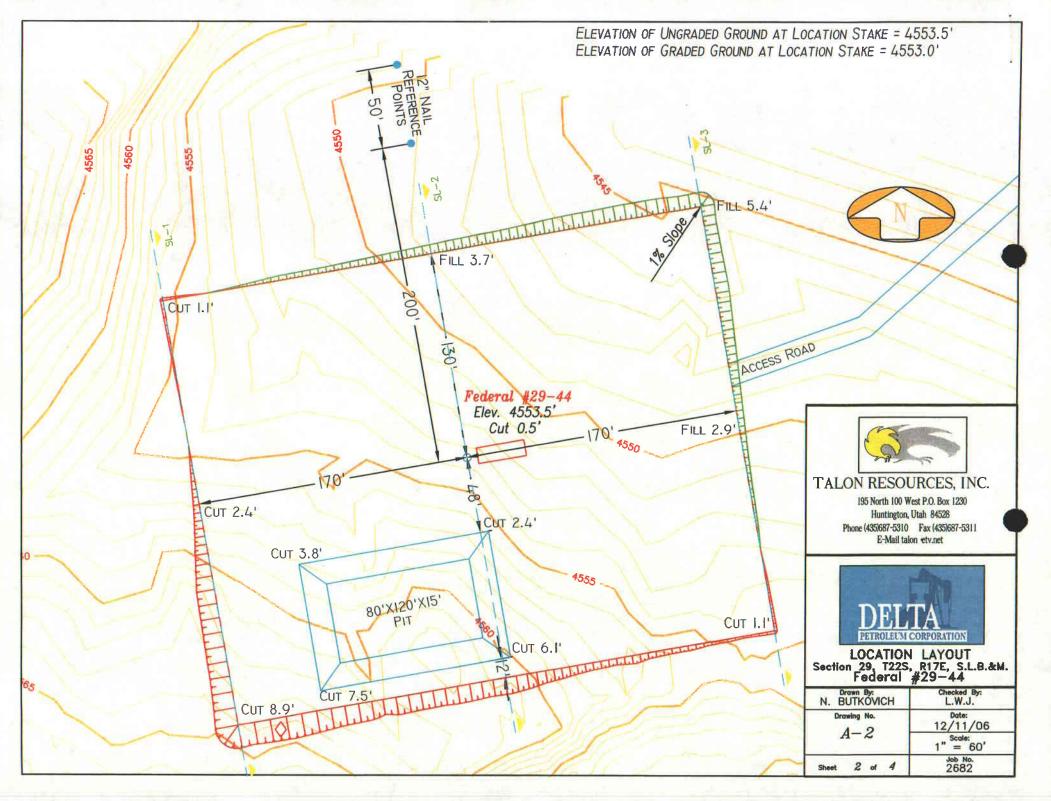
- 2 days prior to commencement of dirt work, construction or reclamation;
- 1 day prior to spudding;
- 50 feet prior to reaching surface and intermediate casing depths;
- 3 hours prior to testing BOP:
- 12 hours prior to reaching kickoff point depth (if applicable).

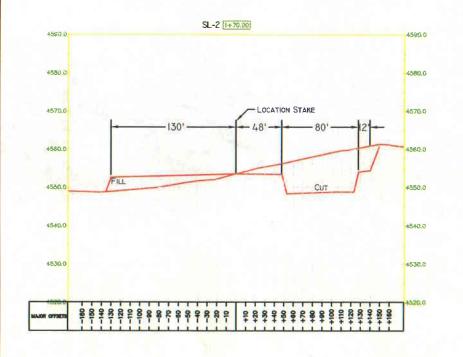
If the person at the above number cannot be reached, notify the Moab District Office at (435) 259-2100. If unsuccessful, notify one of the people listed below.

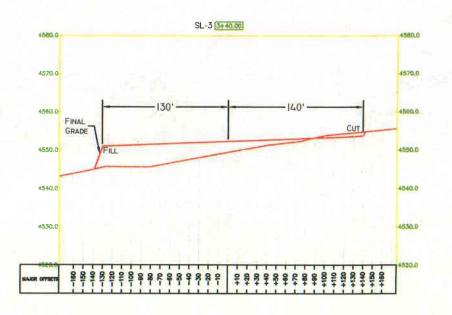
Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab District Office, Branch of Fluid Minerals at (435) 259-2100. If approval is needed after work hours, you may contact the following:

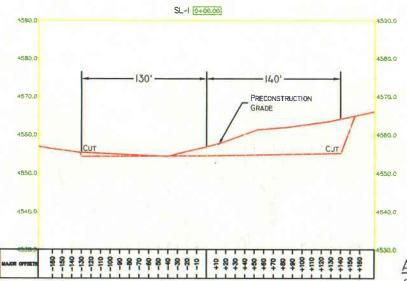
Eric Jones, Petroleum Engineer Office: (435) 259-2100

Home: (435) 259-2214









SLOPE = | 1/2 : | (EXCEPT PIT) PIT SLOPE = | ; | X-Section Scale



TALON RESOURCES, INC.

195 North 100 West P.O. Box 1230 Huntington, Utah 84528 Phone (435)687-5310 Fax (435)687-5311 E-Mail talon etv.net



TYPICAL CROSS SECTION Section 29, T22S, R17E, S.L.B.&M. Federal #29-44

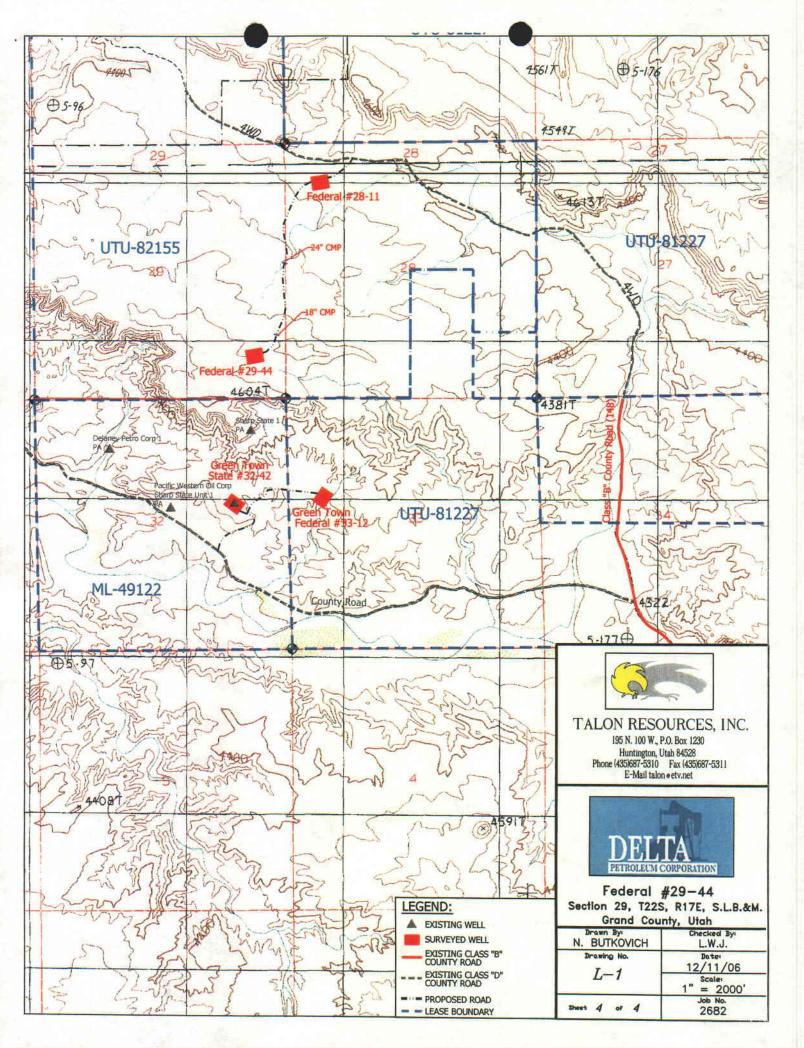
L.W.J.
Date: 12/11/06
Scale: 1" = 100'
Job No. 2682

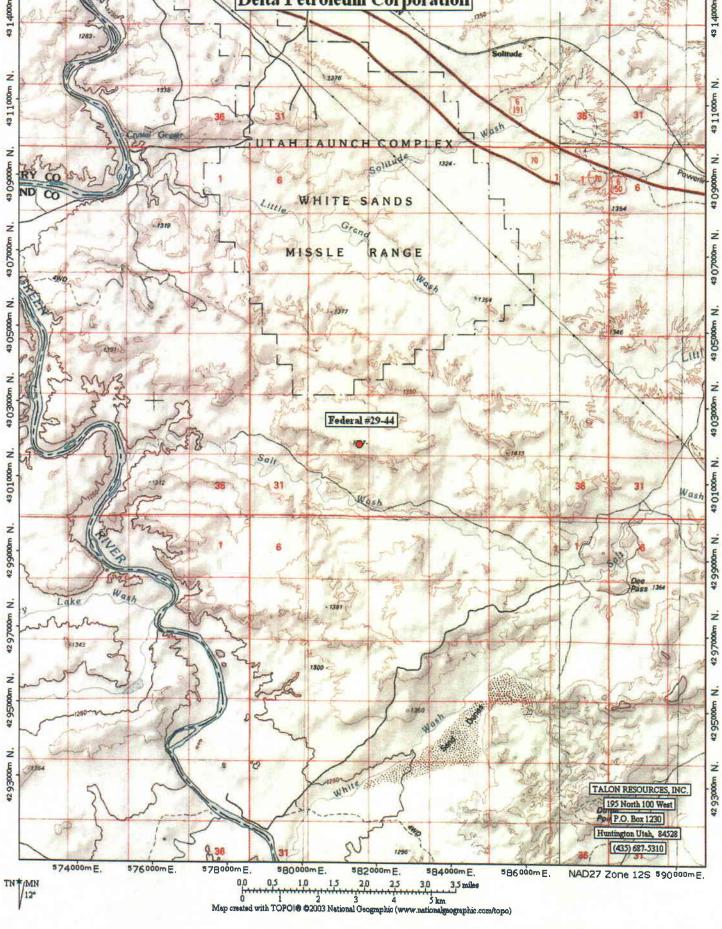
APPROXIMATE YARDAGES

(6")TOPSOIL STRIPPING = 1,700 Cu. YDS.

TOTAL CUT (INCLUDING PIT) = 9,375 Cu. YDS.

TOTAL FILL = 4.790 Cu. YDS.





Rig and Equipment Layout

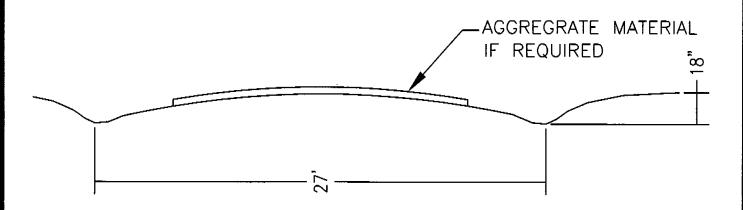


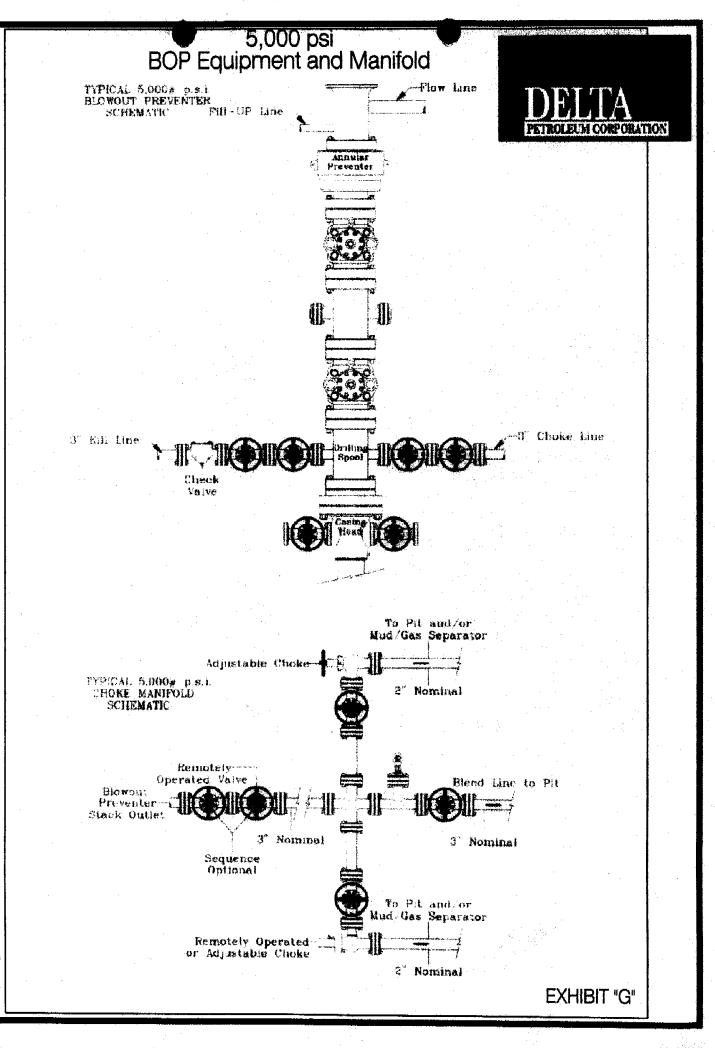


BLOOIE PIT								PETI	ROLEUM CO	RPORATION
В	PIP	E RACKS	BASKET	BASKET		BASKET	BASKET		PIPE F	RACKS
	RESERVE PIT	PUMP DIMP		SEL SEL	FUEL		PRO	ANA LEK IANK 10'	JS' TRAILER 8'	APPROXIMATE LAYOUT OF RIG & EQUIPMENT (Not to Scale)

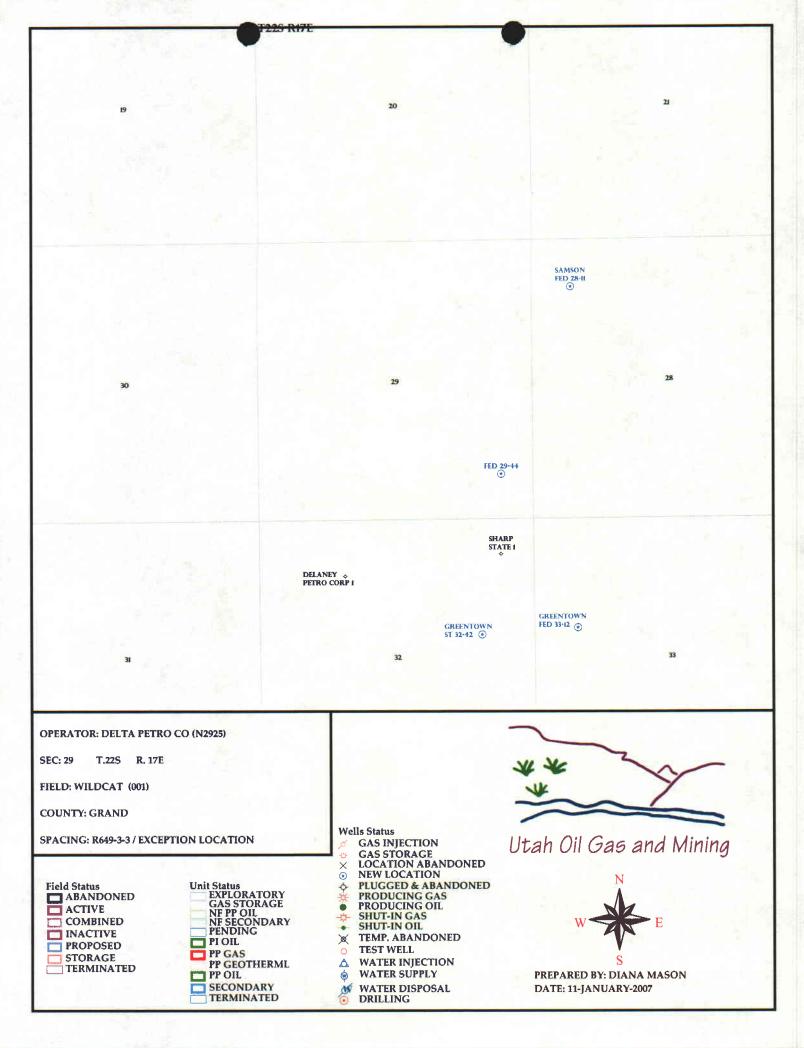


Typical Road Cross-Section





APD RECEIVED: 01/10/2007	API NO. ASSIGNED: 43-019-31504			
WELL NAME: FED 29-44 OPERATOR: DELTA PETROLEUM CORP (N2925) CONTACT: LARRY JOHNSON	PHONE NUMBER: 303-575-0323			
PROPOSED LOCATION: SESE 29 220S 170E SURFACE: 0893 FSL 0650 FEL BOTTOM: 0893 FSL 0650 FEL COUNTY: GRAND LATITUDE: 38.86418 LONGITUDE: -110.0613 UTM SURF EASTINGS: 581442 NORTHINGS: 430193 FIELD NAME: WILDCAT (1) LEASE TYPE: 1 - Federal LEASE NUMBER: UTU-82155 SURFACE OWNER: 1 - Federal				
Plat Bond: Fed[1] Ind[] Sta[] Fee[] (No. UTB-00200) Potash (Y/N) Oil Shale 190-5 (B) or 190-3 or 190-13 Water Permit (No. MUNICIPAL) RDCC Review (Y/N) (Date:) ALP Fee Surf Agreement (Y/N) ILLP Intent to Commingle (Y/N)	LOCATION AND SITING: R649-2-3. Unit: R649-3-2. General Siting: 460 From Qtr/Qtr & 920' Between Wells R649-3-3. Exception Drilling Unit Board Cause No: Eff Date: Siting: R649-3-11. Directional Drill			
STIPULATIONS: 1- Leding Comprise 2. Spains Stip				





State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

January 11, 2007

Delta Petroleum Corporation 370 17th St., Ste. 4300 Denver, CO 80021

Re:

Federal 29-44 Well, 893' FSL, 650' FEL, SE SE, Sec. 29, T. 22 South,

R. 17 East, Grand County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31504.

Sincerely,

Gil Hunt

Associate Director

pab Enclosures

cc:

Grand County Assessor

Bureau of Land Management, Moab District Office

Operator:	Delta Petroleum Corporation		
Well Name & Number	Federal 29-44		
API Number:	43-019-31504		
Lease:	UTU-82155		
Location: <u>SE SE</u>	Sec. 29	T. 22 South	R. <u>17 East</u>

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

Contact Carol Daniels at (801) 538-5284.

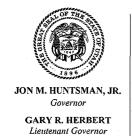
Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 14, 2008

Delta Petroleum 370 17th St., Ste. 4300 Denver, CO 80021

Re:

APD Rescinded - Federal 29-44, Sec. 29, T. 22S, R. 17E

Grand County, Utah API No. 43-019-31504

Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (the Division) on January 11, 2007. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective March 14, 2008.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject locations.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason

Environmental Scientist

cc:

Well File

Bureau of Land Management, Moab

